

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

IT&C Dept - Electronic Hardware promotion - Creation of Electronic Hardware Manufacturing Clusters in Andhra Pradesh - Issue of Guidelines for further action - Orders - Issued.

INFORMATION TECHNOLOGY & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No. 28

Dated: 24.07.2012

Read the following:

1. Government of Andhra Pradesh, Electronic Hardware Policy 2012-2017.
2. Draft National Policy on Electronics 2011 of Govt of India.
3. From M/s.Software Technology Parks of India (STPI), Hyderabad, Letter dt: 23.06.2011.
4. Minutes of the National Level meeting of concerned State Secretaries for promotion of Electronic System Design and Manufacturing Industry of India, at New Delhi, held on 26.09.2011.

ORDER:

In tune with the Government of India Policy to promote electronic hardware in the country, vide first read above Government of Andhra Pradesh brought the Andhra Pradesh Electronic Hardware Policy 2012-2017. Under this Policy, one of the key initiatives is to create Electronic Hardware Manufacturing Clusters in both SEZ and non SEZ area in tune with the Policy Guidelines of Electronic Hardware Promotion Program of Department of Electronics & Information Technology (Deity), Government of India.

2. As per the draft National Policy on Electronics 2011 of Deity, Gol, vide second read above, it has been envisaged to provide incentives for setting up of over 200 Electronic Manufacturing Clusters (EMCs) with world class logistics and infrastructure and easy to do business facilities. In this regard, the salient features of the Electronic Manufacturing Clusters scheme by Deity, Gol, are as under:

- Both Greenfield and Brownfield Cluster supported.
- Illustrative list of eligible activities under the scheme:
 - Internal roads, water treatment plant, electricity sub stations/distribution, educational facilities, IT infrastructure/Telecom, etc.
- Clusters to be managed by SPV (Company or society) of units from the cluster.
- NIMZ Policy would apply.
- EMC Financial Assistance:
 - Greenfield EMCs - 50% of project cost as subsidy (Upto Rs.50 crores per 100 acres of land)
 - Brownfield EMCs - 75% of project cost as subsidy (Upto Rs.50 crore).

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3. Further Software Technology Parks of India (STPI), an autonomous body of Govt of India, vide third read above has informed that, DIT is planning to set up Hardware cluster for Electronic & Hardware Industries. The land required is about 200 acres & above. The project details are awaited from STPI headquarters. STPI have been advised to coordinate with State Government and find out availability of required land for the project to be implemented in Andhra Pradesh. STPI requested to confirm our willingness to partner with STPI/DIT in the project.

4. During the national level meeting of concerned State Secretaries for promotion of Electronic System Design and Manufacturing industry of India, held under the Chairmanship of Dr.Ajay Kumar, Joint Secretary, Deity, on 26.09.2011, it was mentioned that the role of State Governments is critical in successful activation of these initiatives. This is especially relevant because State Governments need to develop their own ESDM promotion policies; make available land for setting up of Electronic Manufacturing Clusters (EMCs) and basic infrastructure facilities like power, water, roads, etc, for ESDM industries; take up human resource development activities, and create effective single window clearance mechanism, among other things. Similarly, the industrial houses within the State need to be sensitized and engaged in the process of economic activity related to ESCM, along with financial institutions, State Level Industrial Development Corporations Industry Associations, etc.

5. As such, in order to make available the benefits of Govt of India to the Electronic Hardware industry under the National Electronic Policy by promoting Electronic Hardware Manufacturing Clusters, basing on the policy initiatives of Andhra Pradesh Electronic Hardware Policy 2012-2017, Government, after careful examination and consideration of all the related issues, cause the following guidelines for creation of two Electronic Hardware Manufacturing Clusters, one in Hyderabad region and the other in Visakhapatnam region jointly by AP Industrial Infrastructure Corporation Ltd (APIIC) - IT/EHW infrastructure development nodal agency of Govt of AP and STPI, Hyderabad,GOI:

- (i) Working out the modalities for creation of two Electronic Hardware Manufacturing Clusters, one in Hyderabad region and the other in Visakhapatnam region by APIIC and STPI.
- (ii) APIIC and STPI through Special Purpose Vehicle (SPV) mode, to create two Electronic Hardware Manufacturing Clusters, one in Hyderabad region and the other in Visakhapatnam region.
- (iii) APIIC to identify and earmark atleast 100 acres of clear land in Hyderabad and Visakhapatnam regions for the purpose of creating Electronic Hardware Manufacturing Cluster.

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- (iv) APIIC and STPI will undertake feasibility study on promotion of two Electronic Hardware Manufacturing Clusters and accordingly prepare detailed project reports/proposals indicating the area/extent of land to be developed, mode of development, cost of infrastructure, source of funds, plan of action/mode of implementation, etc, if necessary, by engaging a professional consultant, and furnish the same to Govt of AP, IT&C Dept, in the next two months to enable Govt of AP to submit the same to Gol for seeking the appropriate approvals and project cost subsidy, available under Electronic Manufacturing Clusters Scheme of Gol.
- (v) APIIC and STPI shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SANJAY JAJU
SECRETARY TO GOVERNMENT

To

The Vice Chairman & Managing Director, APIIC Ltd, Hyderabad.
The Director, Software Technology Parks of India, Hyderabad.

Copy to:

The Secretary to Govt of India, Department of Electronics & Information Technology (Deity), Government of India.

The Principal Secretary to Govt, Industries & Commerce Dept, Govt of AP.

The President, Electronics Industries Association of Andhra Pradesh (ELIAP), Hyderabad.

The President, IT&ITES Industries Association of Andhra Pradesh (ITsAP), Hyderabad.

The Regional Director, NASSCOM, Hyderabad.

The Chairman, AP Region, Electronics & Software Export Promotion Council (ESC), Hyderabad.

The PS to Minister, IT&C, A.P.Secretariat, Hyderabad.

The SF/SC

// FORWARDED : : BY ORDER //

SECTION OFFICER